

SECOND REGULAR SESSION

HOUSE BILL NO. 1899

91ST GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVES GRATZ, KOLLER, BARRY, CRUMP, GREEN (15),
SCHEVE (Co-sponsors), HOLT AND WALTON.

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TED WEDEL, Chief Clerk

4648L.011

AN ACT

To repeal section 163.031, RSMo, and to enact in lieu thereof one new section relating to state aid for public schools.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Section 163.031, RSMo, is repealed and one new section enacted in lieu thereof, to be known as section 163.031, to read as follows:

163.031. 1. School districts which meet the requirements of section 163.021 shall be entitled to an amount computed as follows: an amount determined by multiplying the number of eligible pupils by the lesser of the district's equalized operating levy for school purposes as defined in section 163.011 or two dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor plus an amount determined by multiplying the number of eligible pupils by the greater of zero or the district's equalized operating levy for school purposes as defined in section 163.011 minus two dollars and seventy-five cents per one hundred dollars assessed valuation multiplied by the guaranteed tax base per eligible pupil times the proration factor. For the purposes of this section, the proration factor shall be equal to the sum of the total appropriation for distribution under subsections 1 and 2 of this section; and the state total of the deductions as calculated in subsection 2 of this section which do not exceed the district entitlements as adjusted by the same proration factor; divided by the amount of the state total of district entitlements before proration as calculated pursuant to this subsection; provided that, if the proration factor so calculated is greater than one, the proration factor for line 1(b) shall be the greater of one or the proration factor for line 1(a) minus five hundredths, and provided that if the proration factor so calculated is less than one, the proration factor for line 1(a) shall be the lesser of one or the proration factor for line 1(b) plus five hundredths.

19 2. From the district entitlement for each district there shall be deducted the following
20 amounts: an amount determined by multiplying the district equalized assessed valuation by the
21 district's equalized operating levy for school purposes times the district income factor plus ninety
22 percent of any payment received the current year of protested taxes due in prior years no earlier
23 than the 1997 tax year minus the amount of any protested taxes due in the current year and for
24 which notice of protest was received during the current year; one hundred percent of the amount
25 received the previous year for school purposes from intangible taxes, fines, forfeitures and
26 escheats, payments in lieu of taxes and receipts from state assessed railroad and utility tax,
27 except that any penalty paid after July 1, 1995, by a concentrated animal feeding operation as
28 defined by the department of natural resources rule shall not be included; one hundred percent
29 of the amounts received the previous year for school purposes from federal properties pursuant
30 to sections 12.070 and 12.080, RSMo; federal impact aid received the previous year for school
31 purposes pursuant to P.L. 81-874 less fifty thousand dollars multiplied by ninety percent or the
32 maximum percentage allowed by federal regulation if that percentage is less than ninety; fifty
33 percent, or the percentage otherwise provided in section 163.087 of Proposition C revenues
34 received the previous year for school purposes from the school district trust fund pursuant to
35 section 163.087; one hundred percent of the amount received the previous year for school
36 purposes from the fair share fund pursuant to section 149.015, RSMo; and one hundred percent
37 of the amount received the previous year for school purposes from the free textbook fund,
38 pursuant to section 148.360, RSMo.

39 3. School districts which meet the requirements of section 163.021 shall receive
40 categorical add-on revenue as provided in this subsection. There shall be individual proration
41 factors for each categorical entitlement provided for in this subsection, and each proration factor
42 shall be determined by annual appropriations, but no categorical proration factor shall exceed the
43 entitlement proration factor established pursuant to subsection 1 of this section, except that the
44 vocational education entitlement proration factor established pursuant to line 16 of subsection
45 6 of this section and the educational and screening program entitlements proration factor
46 established pursuant to line 17 of subsection 6 of this section may exceed the entitlement
47 proration factor established pursuant to subsection 1 of this section. The categorical add-on for
48 the district shall be the sum of: seventy-five percent of the costs of adopting and providing a
49 violence prevention program pursuant to section 161.650, RSMo, multiplied by the proration
50 factor; seventy-five percent of the district allowable transportation costs pursuant to section
51 163.161 multiplied by the proration factor; the special education approved or allowed cost
52 entitlement for the district, provided for by section 162.975, RSMo, multiplied by the proration
53 factor; seventy-five percent of the district gifted education approved or allowable cost
54 entitlement as determined pursuant to section 162.975, RSMo, multiplied by the proration factor;

55 the free and reduced lunch eligible pupil count for the district, as defined in section 163.011,
56 multiplied by twenty percent, for a district with an operating levy in excess of two dollars and
57 seventy-five cents per one hundred dollars assessed valuation, or twenty-two percent, otherwise
58 times the guaranteed tax base per eligible pupil times two dollars and seventy-five cents per one
59 hundred dollars assessed valuation times the proration factor plus the free and reduced lunch
60 eligible pupil count for the district, as defined in section 163.011, times thirty percent times the
61 guaranteed tax base per eligible pupil times the following quantity: ((the greater of zero or the
62 district's operating levy for school purposes minus two dollars and seventy-five cents per one
63 hundred dollars assessed valuation) times one or, beginning in the fifth year following the
64 effective date of this section, the quotient of the district's fiscal instructional ratio of efficiency
65 for the prior year divided by the fiscal year 1998 statewide average fiscal instructional ratio of
66 efficiency, if the district's prior year fiscal instructional ratio of efficiency is at least five percent
67 below the fiscal year 1998 statewide average) times the proration factor, minus court-ordered
68 state desegregation aid received by the district for operating purposes; the career ladder
69 entitlement for the district, as provided for in sections 168.500 to 168.515, RSMo, multiplied by
70 the proration factor; the vocational education entitlement for the district, as provided for in
71 section 167.332, RSMo, multiplied by the proration factor and the district educational and
72 screening program entitlements as provided for in sections 178.691 to 178.699, RSMo, times the
73 proration factor.

74 4. Each district's apportionment shall be the prorated categorical add-ons plus the greater
75 of the district's prorated entitlement minus the total deductions for the district or zero.

76 5. (1) In the 1993-94 school year and all subsequent school years, pursuant to section
77 10(c) of article X of the state constitution, a school district shall adjust upward its operating levy
78 for school purposes to the extent necessary for the district to at least maintain the current
79 operating expenditures per pupil received by the district from all sources in the 1992-93 school
80 year, except that its operating levy for school purposes shall not exceed the highest tax rate in
81 effect subsequent to the 1980 tax year, or the minimum rate required by subsection 2 of section
82 163.021, whichever is less.

83 (2) The revenue per eligible pupil received by a district from the following sources: line
84 1 minus line 10, or zero if line 1 minus line 10 is less than zero, plus line 14 of subsection 6 of
85 this section, shall not be less than the revenue per eligible pupil received by a district in the
86 1992-93 school year from the foundation formula entitlement payment amount plus the amount
87 of line 14 per eligible pupil that exceeds the line 14 per pupil amount from the 1997-98 school
88 year, or the revenue per eligible pupil received by a district in the 1992-93 school year from the
89 foundation formula entitlement payment amount plus the amount of line 14(a) per eligible pupil
90 times the quotient of line 1 minus line 10, divided by the number of eligible pupils, or zero if line

91 1 minus line 10 is less than zero, divided by the revenue per eligible pupil received by the district
92 in the 1992-93 school year from the foundation formula entitlement payment amount, whichever
93 is greater. The department of elementary and secondary education shall make an addition in the
94 payment amount of line 19 of subsection 6 of this section to assure compliance with the
95 provisions contained in this section, **provided that, beginning in the 2002-2003 school year**
96 **no district which levies, in the current year, an equalized, adjusted operating levy for**
97 **school purposes which is no less than two dollars and seventy-five cents per one hundred**
98 **dollars assessed valuation shall receive less revenue per pupil pursuant to this subdivision**
99 **than the district received in the 2000-2001 school year times the cumulative change in the**
100 **general price level as measured by the consumer price index for all urban consumers for**
101 **the United States, or its successor index, as defined and officially recorded by the United**
102 **States Department of Labor or its successor agency, for the current year compared to the**
103 **2000-2001 school year.**

104 (3) For any school district which meets the eligibility criteria for state aid as established
105 in section 163.021, but which under subsections 1 to 4 of this section, receives no state aid for
106 two successive school years, other than categorical add-ons, by August first following the second
107 such school year, the commissioner of education shall present a plan to the superintendent of the
108 school district for the waiver of rules and the duration of said waivers, in order to promote
109 flexibility in the operations of the district and to enhance and encourage efficiency in the delivery
110 of instructional services. The provisions of other law to the contrary notwithstanding, the plan
111 presented to the superintendent shall provide a summary waiver, with no conditions, for the pupil
112 testing requirements pursuant to section 160.257, RSMo. Further, the provisions of other law
113 to the contrary notwithstanding, the plan shall detail a means for the waiver of requirements
114 otherwise imposed on the school district related to the authority of the state board of education
115 to classify school districts pursuant to section 161.092, RSMo, and such other rules as
116 determined by the commissioner of education, except that such waivers shall not include the
117 provisions established pursuant to sections 160.514 and 160.518, RSMo.

118 (4) In the 1993-94 school year and each school year thereafter for two years, those
119 districts which are entitled to receive state aid under subsections 1 to 4 of this section, shall
120 receive state aid in an amount per eligible pupil as provided in this subsection. For the 1993-94
121 school year, the amount per eligible pupil shall be twenty-five percent of the amount of state aid
122 per eligible pupil calculated for the district for the 1993-94 school year pursuant to subsections
123 1 to 4 of this section plus seventy-five percent of the total amount of state aid received by the
124 district from all sources for the 1992-93 school year for which the district is entitled and which
125 are distributed in the 1993-94 school year pursuant to subsections 1 to 4 of this section. For the
126 1994-95 school year, the amount per eligible pupil shall be fifty percent of the amount of state

127 aid per eligible pupil calculated for the district for the 1994-95 school year pursuant to
 128 subsections 1 to 4 of this section plus fifty percent of the total amount of state aid received by
 129 the district from all sources for the 1992-93 school year for which the district is entitled and
 130 which are distributed in the 1994-95 school year pursuant to subsections 1 to 4 of this section.
 131 For the 1995-96 school year, the amount of state aid per eligible pupil shall be seventy-five
 132 percent of the amount of state aid per eligible pupil calculated for the district for the 1995-96
 133 school year pursuant to subsections 1 to 4 of this section plus twenty-five percent of the total
 134 amount of state aid received by the district from all sources for the 1992-93 school year for
 135 which the district is entitled and which are distributed in the 1995-96 school year pursuant to
 136 subsections 1 to 4 of this section. Nothing in this subdivision shall be construed to limit the
 137 authority of a school district to raise its district operating levy pursuant to subdivision (1) of this
 138 subsection.

139 (5) If the total of state aid apportionments to all districts pursuant to subdivision (3) of
 140 this subsection is less than the total of state aid apportionments calculated pursuant to
 141 subsections 1 to 4 of this section, then the difference shall be deposited in the outstanding
 142 schools trust fund. If the total of state aid apportionments to all districts pursuant to subdivision
 143 (1) of this subsection is greater than the total of state aid apportionments calculated pursuant to
 144 subsections 1 to 4 of this section, then funds shall be transferred from the outstanding schools
 145 trust fund to the state school moneys fund to the extent necessary to fund the district entitlements
 146 as modified by subdivision (4) of this subsection for that school year with a district entitlement
 147 proration factor no less than one and such transfer shall be given priority over all other uses for
 148 the outstanding schools trust fund as otherwise provided by law.

149 6. State aid shall be determined as follows:

150 District Entitlement

151 1(a). Number of eligible pupils
 152 x (lesser of district's equalized
 153 operating levy for school purposes
 154 or two dollars and seventy-five
 155 cents per one hundred dollars
 156 assessed valuation) x (proration
 157 x GTB per EP) \$.....

158 1(b). Number of eligible pupils x
 159 (greater of: 0, or district's
 160 equalized operating levy for school
 161 purposes minus two dollars and
 162 seventy-five cents per one hundred

163 dollars assessed valuation) x (proration
164 x GTB per EP) \$.

165 Deductions

166 2. District equalized assessed valuation
167 x district income factor x
168 district's equalized operating levy
169 for school purposes plus ninety percent
170 of any payment received the current
171 year of protested taxes due in prior
172 years no earlier than the 1997 tax
173 year minus the amount of any protested
174 taxes due in the current year and for
175 which notice of protest was received
176 during the current year \$.

177 3. Intangible taxes, fines, forfeitures,
178 escheats, payments in lieu of
179 taxes, etc. (100% of the amount received
180 the previous year for school purposes) \$.

181 4. Receipts from state assessed railroad
182 and utility tax (100% of the amount
183 received the previous year for school
184 purposes) \$.

185 5. Receipts from federal properties pursuant
186 to sections 12.070 and 12.080, RSMo (100%
187 of the amount received the previous year
188 for school purposes) \$.

189 6. (Federal impact aid received the previous
190 year for school purposes pursuant to P.L.
191 81-874 less \$50,000) x 90% or the maximum
192 percentage allowed by federal regulations
193 if less than 90% \$.

194 7. Fifty percent or the percentage otherwise
195 provided in section 163.087 of Proposition C
196 receipts from the school district trust fund
197 received the previous year for school purposes
198 pursuant to section 163.087 \$.

235 received by the district for operating
236 purposes \$.

237 15. Career ladder entitlement for the district
238 as provided for in
239 sections 168.500 to 168.515, RSMo, x proration \$.

240 16. Vocational education entitlements for the
241 district as provided in section 167.332,
242 RSMo, x proration \$.

243 17. Educational and screening program entitlements
244 for the district as provided in
245 sections 178.691 to 178.699, RSMo, x proration \$.

246 18. Sum of categorical add-ons for the district
247 (sum of lines 11-17) \$.

248 19. District apportionment (line 18 plus the greater
249 of line 1 minus line 10 or zero) \$.

250 7. Revenue received for school purposes by each school district pursuant to this section
251 shall be placed in each of the incidental and teachers' funds based on the ratio of the property tax
252 rate in the district for that fund to the total tax rate in the district for the two funds.

253 8. In addition to the penalty for line 14 described in subsection 6 of this section,
254 beginning in school year 2004-05, any increase in a school district's funds received pursuant to
255 line 14 of subsection 6 of this section over the 1997-98 school year shall be reduced by one
256 percent for each full percentage point the percentage of the district's pupils scoring at or above
257 five percent below the statewide average level on either mathematics or reading is less than
258 sixty-five percent.

259 9. If a school district's annual audit discloses that students were inappropriately identified
260 as eligible for free or reduced-price lunch and the district does not resolve the audit finding, the
261 department of elementary and secondary education shall require that the amount of line 14 aid
262 paid on the inappropriately identified pupils be repaid by the district in the next school year and
263 shall additionally impose a penalty of one hundred percent of the line 14 aid paid on such pupils,
264 which penalty shall also be paid within the next school year. Such amounts may be repaid by
265 the district through the withholding of the amount of state aid.